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Before the
FEDERAL COMMUNICATION COMMISSION
Washington, D.C. 20554

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NOV 30 1993

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In the Matter of

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Implementation of Section 309 (j)
of the Communications Act
Competitive Bidding

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PP Docket No. 93-253

REVIEW OF COMMENTS—previously requested by November 10, 1993

EX PARTE

RESOURCE SPECTRUM

By: Carlton W. Dukes, Ph.D.
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SUMMARY

In this and in our prior comments, we have provided the solutions for the Federal Communications Commission to simplify the process of reviewing the multiple perspectives of hundreds of potential bidders by implementing the following steps:

- **Group bidders according to the technology of the services to be delivered—this creates a manageable number of categories (telephone, cable, satellite, radio/paging, et al.) to implement by technology—not by interest group.**
- **Adopt the provisions of the Equal Opportunity Act to include employees—and the establishment of small business / minority / technological consortia. In effect, extend Affirmative Action to these technological ventures. The principles and practices are already well established—simply apply them.**

COMMENTS UPON THE PREVIOUSLY REQUESTED COMMENTS

1.0 After a review of the hundreds of competing/overlapping technologies and their often narrow perspectives, we earnestly request the FCC operate according to standard marketplace practices—free open and fair competition—to facilitate innovation and provide protection from speculation for all businesses, large and small.

1.1 We support English style, open, oral bidding, as do most of the commenters—with the exception of those in the cellular, private radio networks and paging businesses.

- 1.2 We agree for the most part with AT&T's comments to the effect that, "a carefully designed roll-out, guided by actual experience, will allow the Commission to uncover any problems before it conducts the most important broad band auctions, and it will assure the development of a rapid and orderly process for licensing the use of such spectrum."
- 1.3 We offer the supporting comments by Sprint,
 "—rapid deployment of service to the public
 —economic opportunity and competition
 —avoidance of excessive concentration of licenses
 —disseminating licenses among a wide variety of applicants...
 —efficient and intensive use of the electromagnetic spectrum"
- 2.0 *As a matter of public policy*, it is recommended that licensees adopt the provisions of the Equal Opportunity Act for not only their employees, but in the case of MWBE's they extend their financial and organizational support to small businesses, minorities, and other historically underrepresented groups. Over 30 organizations addressed the matter of discrimination as their primary, if not exclusive focus. **Our comments have provided for remediation.**
- 2.1 We offer the supporting comments of Calcell "that not only provides ownership participation opportunities for designated groups, but also provides incentives for them to employ, train disadvantaged individuals and provide source capital equipment from women and minority owned firms."
- 2.2 We are supported with the comment of the American Women In Radio and Television, Inc. that gender based preference can be enacted without running afoul of the Equal Protection Clause of the Fifth Amendment to the Constitution.

- 2.3 We are further supported by the Minority Business Legal Defense and Education Fund in that their survey of 581 minority and women-owned firm has identified substantial discrimination and that special efforts are required.
- 3.0 All bidders should be required to indicate what specific services are being offered—and the precise channel requirements to provide that service.
 - 3.1 Ameritech emphasizes our major principle—the rules must permit participants to make rational, informed decisions regarding their participation in the auction process.
- 4.0 Bidders are to be grouped by the technology of the services provided (cable, radio, cellular, etc.)
 - 4.1 To bid a second channel the bidder must demonstrate the present channel is at or near capacity.
 - 4.1.1 Limited bidding for a second channel will assure rapid deployment of successful technologies, regarding those enterprises that are actually using the channels—as opposed to warehousing of spectrum.
- 5.0 Applicants should attest to their respective technology competence—and be prepared to implement within a reasonable amount of time—or be prepared to forfeit the channel allocation.
 - 5.1 We were unable to find as specific recommendation among all the other commentary—but we believe this is of paramount concern to discourage warehousing of spectrum or application by those whose technology or actions would delay the implementation of PCS technology.

6.0 Cellular channels do not directly compete with UHF since they cannot release a single channel with the Motorola Dynatac which requires all channels to perform switching. Cellular providers are, in most of their comments, seeking exemption from having their spectrum open for bidding.

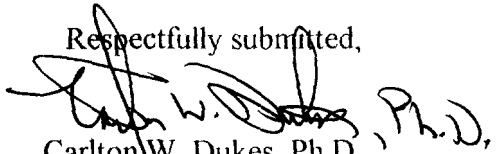
6.1 Again, we refer to the comments of AT&T for a reasoned, sequential process that would identify problem areas and allow the Commission to base decisions on experience.

7.0 **This is primarily a technological issue—and if addressed as such—does not necessarily exclude minorities or other historically underrepresented groups.**

7.1 *As a matter of public policy*, we recommend the Commission apply the provisions of the Equal Employment Opportunity Act to include MWBE's that are developed and assisted by licensees.

7.2 Bidding should be open, oral and equally accessible to MBWE's—assisted as indicated above by current or prospective licensees.

7.3 Any allocation or “set-asides” for frequencies not in actual service will constitute a technological and innovative impedance.

Respectfully submitted,

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November 9, 1993

International Transcriptions, Inc.
2100 M Street NW
Suite 140
Washington, DC 20037

RE: Comments on Proposed Rule Making for Upcoming Bidding on High Frequency Channels

In our comments, we have provided the vehicle for small business innovation to enter into and compete in the Major Trading Areas—by grouping bidders according to the technology of the services to be delivered—thereby supplying competitive opportunity for small businesses, minorities and other historically underrepresented groups.

- 1.0 We earnestly request that the FCC operate according to standard marketplace practices—free, open and fair competition—to facilitate innovation and provide protection from speculation for all businesses, large and small.
- 2.0 As a matter of public policy, it is recommended that licensees adopt the provisions of the Equal Employment Opportunity Act to include employees of small business / minority / technological consortia. In effect, extend Affirmative Action to these technological ventures.
 - 2.1 In their efforts to obtain licenses, small businesses, minorities and other historically underrepresented groups should be allowed financial assistance from major corporations.
 - 2.2 Major corporations should be encouraged to provide financial assistance to small businesses, minorities and other historically underrepresented groups.

3.0 Users should not be charged for mere access to the channel, they should be charged for direct, legitimate services on the channel.

- 3.1 All bidders should be required to indicate what specific services are being offered—and the precise channel requirements to provide that service.
- 3.2 The distribution of the transmissions must also be specified.
- 3.3 Specifications should encourage competition among legitimate providers, and discourage block seizures without viable utilization.

4.0 Bidders are to be grouped by the technology of the services provided (e.g. fax transmission, money transfer, beverage vending inventory reporting systems, et al.)

- 4.1 To bid a second channel for an existing technology, the bidder must demonstrate the present channel is at or near capacity.
 - 4.1.1 *Limited bidding for a second channel* is to assure the rapid deployment of successful technologies, rewarding those enterprises that are actually using the channels.
 - 4.1.2 *A competitive environment with innovative small firms on equal footing with major corporations* will be advanced.

5.0 Applicants should attest to their respective technology competence—and be prepared to implement within a reasonable amount of time—or be prepared to forfeit the channel allocation.

This should discourage bidding by highly funded major corporations that advertise marginal or nonexistent technology to:

- 5.1 guard against monopolization by firms that are currently advertising technology that is, by their own statement, "meant to generate interest in the market."
- 5.2 guard against monopolization by speculative investors who have no competence or interest in the technology.
- 5.3 discourage implementation of inferior technology for the sake of holding blocks of channels off the market.

6.0 It has been stated that cellular channels will compete with UHF—but this is not necessarily so.

6.1 Cellular companies cannot release a *single* channel since the Motorola Dynatac uses *all* channels to perform its switching operations. To provide single channel access, replacement of these devices (in use by most cellular service providers) would be prohibitively costly.

7.0 This is primarily a technological issue—and does not necessarily exclude minorities or other historically underrepresented groups.

7.1 *As a matter of public policy*, it is recommended that licensees adopt the provisions of the Equal Employment Opportunity Act to include employees of small business / minority / technological consortia. In effect, extend Affirmative Action to these technological ventures.

7.2 BTA's provide additional access—accommodating small business enterprises.

7.3 *Provision has been made for financial cooperation among small business and major corporations, and this cooperation would extend to minority and other historically underrepresented groups.*

7.4 Bidding should be oral, once confidential screening for meeting the technological criteria described above have been met by prospective bidders.

7.5 Any allocation or "set-asides" for frequencies that will not be in actual service will constitute a technological and innovative impedance.

Respectfully submitted,



Carlton W. Dukes, Ph.D.
Marketing Director



Mark C. Dukes
Technical Director